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EXAMINER	
MORGAN, ROBERT W	
ART UNIT	**PAPER NUMBER**
3626	

DATE MAILED: 04/06/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/769,758	KESSLER ET AL.	
	Examiner	Art Unit	
	Robert W. Morgan	3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on _____.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-28* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-28* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date ___.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 102

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

2. Claims 1, 2, 7, 9-10, 13-16, 18-24 and 27-28 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by U.S. Patent No. 6,208,973 to Boyer et al.

As per claim 1, Boyer et al. teaches a computer-based method for facilitating compliance with rules governing coverage by a third party payor for health care provided to a beneficiary by a provider, wherein the health care is administered under the medical benefit, comprising the steps of:

(1) receiving an order for the health care is met by a claim for a particular employee received by the adjudication engine (22, Fig. 1) (see: column 7 lines 61-67);

(2) applying the rules associated with said order is met by the rules processor (30, Fig. 1) that resides at the center of the adjudication engine (22, Fig. 1) with the purpose of adjudicating and pricing healthcare transaction (see: column 8, lines 8-11);

(3) determining the level of coverage by the third party payor for said order is met by the rules processor (30, Fig. 2A) that lets the healthcare provider (12, Fig. 1) know what the third party payor (24, Fig. 1) is willing to reimburse for a given patient's healthcare transaction (see: column 9, lines 21-23 and column 15, lines 1-6);

(4) processing payment for said order is met by the settlement of the Adjudicated Settlement Transaction and the health provider (12, Fig. 1) receiving payment for the healthcare transaction for which the patient is responsible (see: column 10, lines 35-52); and

(5) processing fulfillment of said order is met by the settlement of the Adjudicated Settlement Transaction and the health provider (12, Fig. 1) receiving payment for the healthcare transaction for which the patient is responsible (see: column 10, lines 35-52).

As per claim 2, Boyer et al. teaches the claimed step (1) comprises receiving an order for the health care from at least one of: beneficiary; and provider. This limitation is met by the adjudication engine (22, Fig. 1) that takes a healthcare transaction (HCT) from the healthcare provider (12, Fig. 1) and patient (see: column 7, lines 23-30).

As per claim 7, Boyer et al. teaches the claimed rules governing coverage comprise:

--the claimed protocol rules are met (see: column 13, lines 46-50);

--the claimed healing outcome rules is met (see: column 13, lines 55-60); and

--the claimed economic outcome rules are met (see: column 13, lines 55-60).

As per claim 9, Boyer et al. teaches the claimed step (4) comprises at least one of:

(f) receiving payment to the provider from the third party payor for the portion of the value of the health care covered by the third party payor, wherein said portion is determined by said step (3) is met the third party payor (24, Fig. 1) transferring the portion of the Adjudicated Healthcare Transaction it is obligated to pay to the healthcare provider's account via the Internet bank (16, Fig. 1) to complete payment (see: column 11, lines 1-12);

(g) receiving a promise to pay the provider from the third party payor for the portion of the value of the health care covered by the third party payor, wherein said portion is determined by said step (3) is met the "adjudication settlement transaction" which is a statement or invoice provided at the point of service how much the third party payor will pay (see: column 6, lines 8-13); and

(h) sending a bill from the provider to the third party payor for the portion of the value of the health care covered by the third party payor, wherein said portion is determined by said step (3) is met by the creation of the Adjudicated Settlement Transaction which pays the healthcare provider (12, Fig. 1), bills the third party payor (24, Fig. 1) and bills the patient (see: column 7, lines 22-30).

As per claim 10, Boyer et al. teaches the claimed step (4) further comprises:

--the claimed receiving payment to the provider from the beneficiary for the portion of the value of the health care not covered by the third party payor, if the third party payor does not completely cover the value of the health care, wherein said portion is determined by said step (3) is met at step 106, where the healthcare provider (12, Fig. 1) receives payment of that part of the healthcare transaction for the which the patient is responsible (see: column 10, lines 35-52).

As per claim 13, Boyer et al. teaches the claimed automatically processing fulfillment of future orders determined by said step (3). This limitation is met by the patient coverage profile that is returned during consultation with healthcare provider (12, Fig. 1) at step 208 in response to the preliminary diagnosis information entered at step 206. The Examiner considers the patient's coverage profile to be automatically returned in response to entered information regarding a particular patient which helps with the treatment options for any future claims.

As per claim 14, Boyer et al. teaches the claimed method is applied to ancillary health care. This limitation is met by the system that is accessed by a plurality of product/service providers (12, Fig. 1) such as doctor's office, hospitals, pharmacies, and the like, who provide services and products such as physician care, hospital care, dental care, pharmaceutical products, lab tests, prosthetics, surgical equipment, and the like (see: column 6, lines 23-28).

As per claim 15, the system claim differs from claim 1, in that claims 1 contain a method recited as a series of function steps whereas claim 15 contain features recited in a "means plus function" format. As the method of step claim 1 has been shown to be disclosed or obvious by the teachings of Boyer et al., it is readily apparent that the "means" to accomplish those method steps is obvious in view of the prior art. As such, the limitations recited in claim 1 are rejected for the same reasons given for method claim 1, and incorporated herein.

As per claim 16, it is rejected for the same reason set forth in claim 7.

As per claim 18, Boyer et al. teaches the claimed means for converting a first product code submitted with said order to a more specific product code. This feature is met by the rules processor (30, Fig. 2A) that compares and executes rules using the American Medical Association which set the (CPT) standard which is a classification system with a set of rules to

determine when sets of individual procedures are to be combined into single more comprehensive ones (bundling) (see: column 9, lines 15-52).

As per claim 19, Boyer et al. teaches the claimed means for providing said more specific product code to the third party payor. This feature is met by the rules processor (30, Fig. 2A) that compares and executes rules using the American Medical Association which set the (CPT) standard which is a classification system with a set of rules to determine when sets of individual procedures are to be combined into single more comprehensive ones (bundling) (see: column 9, lines 15-52). In addition, Boyer teaches that all claim information including the results of adjudication, is preferably sent to the third party payor (24, Fig. 1) in a nightly batch (see: column 10, lines 57-59).

As per claim 20, it is rejected for the same reason set forth in claim 14.

As per claims 21-24, they repeat the subject matter of claims 15-19, as a set of "computer program product" and "computer readable program code" elements rather than a series of steps. As the underlying processes of claims 15-19, has been shown to be obvious in view of the teachings of Boyer et al. in the above rejections of claims 15-19, it is readily apparent that the system disclosed by Boyer et al. includes a computer program including computer code on a computer readable medium to perform these functions. As such, these limitations are rejected of the same reasons given above for system claims 15-19, and incorporated herein.

As per claims 27-28, they repeat the subject matter of claims 13-14, as a set of "computer program product" and "computer readable program code" elements rather than a series of steps. As the underlying processes of claims 13-14, has been shown to be obvious in view of the teachings of Boyer et al. in the above rejections of claims 13-14, it is readily apparent that the

system disclosed by Boyer et al. includes a computer program including computer code on a computer readable medium to perform these functions. As such, these limitations are rejected of the same reasons given above for system claims 13-14, and incorporated herein.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

4. Claims 3-6, 8, 11-12, 17 and 25-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,208,973 to Boyer et al. and U.S. Patent No. 5,704,044 to Tarter et al.

As per claim 3, Boyer et al. teaches the claimed step (1) comprises receiving an order including:

(a) beneficiary information is met by adjudicated settlement transaction statement or invoice that specifies how much the customer is responsible for (see: column 6, lines 8-13);

(b) third party payor information is met by adjudicated settlement transaction statement or invoice that specifies how much the third party payor will pay on a given claim (see: column 6, lines 8-13);

(d) disease or wound information associated with the health care is met at step 206 where the healthcare provider enters patient's preliminary diagnosis data to begin the claim (see: column 13, lines 31-35); and

(e) information associated with the health care is met at step 206 where the healthcare provider enters patient's preliminary diagnosis data to begin the claim (see: column 13, lines 31-35).

Boyer et al. fails to teach the claimed (c) prescription information associated with the health care.

Tarter teaches a computerized method and system for providing services provider's access to an on-line adjudication network that involves a patient or customer presents a pharmacy with a prescription and the pharmacist utilizes his in-house prescription system and gathering the necessary information about the prescription, the patient and his insurance coverage (see: column 5, lines 5-9). In addition, Tarter teaches that in response to pharmacy's claim an adjudication evaluates the validity of a claim by reference to the patient's eligibility and formulary rules of a plan, such as drug products allowed, types of permitted drug interactions and dosage, prices which will be reimbursed by the particular plan (see: column 5, lines 18-27).

One of ordinary skill in the art at the time the invention was made would have found it obvious to include patient's eligibility and formulary rules of a plan taught by Tarter et al. within the adjudication payment system as taught by Boyer et al. with the motivation of providing a means for quickly purchasing selected accounts receivables from service providers, collecting on those receivables directly from the obligor or their agents, and reconciling the claims and payment (see: Tarter: column 9, lines 18-25).

As per claim 4, Boyer et al. teaches the claimed information associated with the health care comprises a HCPCS product code corresponding to the health care. This feature is met by one of the three database that includes a Common Procedural Coding System (HCPCS) for

classifying and reporting durable medical equipment for Medicare transaction (see: column 9, lines 24-42).

As per claim 5, Boyer et al. teaches the claimed HCPCS product code is mapped to a more specific product code. This feature is met by one of the three standardized bodies that include a Common Procedural Coding System (HCPCS) for classifying and reporting durable medical equipment for Medicare transaction (see: column 9, lines 24-42). In addition, Boyer et al. teaches a classification system with a set of rules to determine when sets of individual procedures are to be combined into single more comprehensive ones (bundling) (see: column 9, lines 15-52).

As per claim 6, Boyer et al. teaches the claimed more specific product code is provided to the third party payor. This feature is met by the rules processor (30, Fig. 2A) that compares and executes rules using the American Medical Association which set the (CPT) standard which is a classification system with a set of rules to determine when sets of individual procedures are to be combined into single more comprehensive ones (bundling) (see: column 9, lines 15-52). In addition, Boyer teaches that all claim information including the results of adjudication, is preferably sent to the third party payor (24, Fig. 1) in a nightly batch (see: column 10, lines 57-59).

As per claim 8, Boyer et al. teaches the claimed rules governing coverage further comprise:

--the claimed authorization rules is met by the rules processor (30, Fig. 1) that executes algorithms and expressions data from the Policy Database that includes information pertaining to defining the patient's coverage (see: column 8, lines 27-42). In addition, Boyer et al. teaches that

preexisting, current and incident conditions are all stored as conditions in the Policy Database (see: column 8, lines 27-42);

--the claimed co-payment rules is met by the policy rules used by the rules processor (30, Fig. 1) to execute algorithms and expressions data from the Policy Database that includes pricing information such as deductible and copay (see: column 8, lines 27-42); and

--the claimed deductible rules is met by the policy rules used by the rules processor (30, Fig. 1) to execute algorithms and expressions data from the Policy Database that includes pricing information such as deductible and copay (see: column 8, lines 27-42).

Boyer et al. teaches a rules processor (30, Fig. 1) that resides at the center of the adjudication engine (22, Fig. 1) with the purpose of adjudicating and pricing healthcare transaction (see: column 8, lines 8-11). In addition, Boyer et al. teaches that the rules can be interpolated by any number of different processors running a rules processor algorithm (see: column 9, lines 64-67).

Boyer et al. fails to teach:

--the claimed formulary rules; and

--the claimed utilization rules.

Tarter teaches a computerized method and system for providing services provider's access to an on-line adjudication network and discusses existing pharmaceutical on-line claims and payment (see: column 5, lines 1-4). In addition, Tarter teaches that in response to pharmacy's claim an adjudication evaluates the validity of a claim by reference to the patient's eligibility and formulary rules of a plan, such as drug products allowed, types of permitted drug

interactions and dosage, prices which will be reimbursed by the particular plan (see: column 5, lines 18-27).

The obviousness of combining the teachings of Tarter within the system of Boyer et al. are discussed in rejection of claim 3, and are incorporated herein.

As per claims 11 and 12, Boyer et al. teaches a payment system including a point of service terminal for payment of service and/or product by a customer (see: column 6, lines 28-33).

Boyer et al. fails to teach the claimed step (5) comprises:

--the claimed initiating the sending of the health care product from the provider to the beneficiary; and

--the claimed initiating the release of the health care service from the provider to the beneficiary.

Tarter teaches once a service provider receives a positive on-line adjudication response to a claim, it logs the claim as an approved claim receivable, dispenses the drug from the doctor to the patient (see: column 5, lines 54-57).

The obviousness of combining the teachings of Tarter within the system of Boyer et al. are discussed in rejection of claim 3, and are incorporated herein.

As per claim 17, it is rejected for the same reason set forth in claim 8.

As per claims 25-26, they repeat the subject matter of claims 11-12, as a set of "computer program product" and "computer readable program code" elements rather than a series of steps. As the underlying processes of claims 11-12, has been shown to be obvious in view of the teachings of Boyer et al. and/or Tarter in the above rejections of claims 11-12, it is readily

apparent that the system disclosed by Boyer et al. and/or Tarter includes a computer program including computer code on a computer readable medium to perform these functions. As such, these limitations are rejected of the same reasons given above for system claims 11-12, and incorporated herein.

Conclusion

5. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

In related art (6,012,035) Freeman, Jr. et al. shows effectuation of health care provision agency cooperative function through a communication network linking third party payor along with secondary provider.

In related art (6,343,271) Peterson et al. discloses a claims processing system for electronically reviewing and adjudicating medical insurance claims

In related art (6,453,297) Burks et al. teaches a medical transactions system capable of permitting a plurality of healthcare providers to communicate with a plurality of payors and financial institutions.

In related art (6,735,497) Wallace teaches a system and method for remote dispensing of packaged and non-packaged medical products networked communications system.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert W. Morgan whose telephone number is (703) 605-4441. The examiner can normally be reached on 8:30 a.m. - 5:00 p.m. Mon - Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (703) 305-9588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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